

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

CIVIL ACTION NO.

MOUNTAIN PEAKS FINANCIAL
SERVICES, INC.

Plaintiff
Judgment Creditor,

v.

PHILIP B. MCADAM ,

Defendant
Judgment Debtor.

RECEIVED

Date 3/18/05

By W.A. Deputy Clerk

AFFIDAVIT OF RICHARD W. GANNETT IN SUPPORT OF TEMPORARY RESTRAINING
ORDER AND PRELIMINARY INJUNCTION OF PLAINTIFF JUDGMENT CREDITOR
MOUNTAIN PEAKS FINANCIAL SERVICES, INC.

Richard W. Gannett, being first duly sworn, deposes and states as follows:

1. My name is Richard W. Gannett and I am an attorney licensed to practice law in the Commonwealth of Massachusetts. I am of legal age and competent to testify. I am one of the attorneys for the Plaintiff Judgment Creditor and I have been the attorney of record concerning the claims of my client, Mountain Peaks Financial Services, Inc. against Philip B. McAdam for more than ten years.

2. During 2005, Judgment Creditor Mountain Peaks Financial Services, Inc. ("Mountain") scheduled and duly noticed a sheriff's sale of certain real property owned for many years by Philip B. McAdam ("Philip") situated at 1 Arcola Street, Methuen, Massachusetts. The sale was scheduled to be held on March 10, 2005 at the Essex County Deputy Sheriff's

Office, 36 Federal Street, Salem, Massachusetts. Some time after Mountain asked the Essex County Deputy Sheriff to levy its execution in the Essex County Registry of Deeds, Philip transferred the subject property to Dana P. McAdam ("Dana") without notice to Mountain.

3. On March 1, 2005, Dana, Philip B. McAdam's brother, filed a civil action in the Essex County (Massachusetts) Superior Court against Mountain. At about the same time, World Savings Bank, F.S.B. ("World") a mortgagee of the land and buildings located at 1 Arcola Street, Methuen, Massachusetts, also commenced a civil action in the Essex County Superior Court against Mountain. Both World and Dana sought temporary restraining orders and/or injunctive relief concerning the sheriff's sale scheduled for March 10, 2005. Over the objection of Mountain, the Essex County Superior Court enjoined the sheriff's sale at a hearing held on March 2, 2005. To date no written order has been delivered to Mountain concerning the March 2, 2005 proceedings.

4. Both World and Dana filed extensive papers in support of their request for provisional relief. Papers filed by World and Dana support Mountain's motion for a temporary restraining order and/or injunctive relief in this Court concerning Mountain's claims against Philip's ownership interest in 6 Shelly Drive Pelham, New Hampshire.

5. During the March 2, 2005 hearing at the Essex County Superior Court, a HUD-1 and a deed was produced claiming Philip B. McAdam transferred 1 Arcola Street to Dana P. McAdam in 2003, some two years after Mountain levied its execution. The HUD-1 at issue disclosed that the judgment debtor Philip B. McAdam delivered a "gift of equity" in the 1 Arcola Street property to his brother Dana. Philip claimed this "gift of equity" amounted to \$77,000.00.

6. Neither World, Philip, Dana nor any of their attorneys or agents, communicated with Mountain or Gannett concerning the 2003 transfer and closing. Mountain never delivered a discharge of its execution and none was recorded. World's closing agent certified title under G.L. c. 93 sec. 70 averring that there were no liens or encumbrances against 1 Arcola Street other than World's new mortgage to be recorded contemporaneously. The closing agent permitted title to pass without satisfaction of the judicial lien on record on the property in the Essex County Registry of Deeds.

7. Dana submitted an affidavit averring that during the 2003 closing he became aware of Mountain's judicial lien and he averred in the affidavit that World's closing agent assured him the judicial lien would not be problematic.

8. At the hearing on March 2, 2005, the motion judge stated a fraudulent conveyance may have occurred in 2003 given the priority of Mountain's judicial lien and Mountain's steps taken by the judgment debtor to gift the \$77,000.00 in equity to his brother.

9. Given the two new civil actions and recorded encumbrances, there may be insufficient equity available to Mountain from 1 Arcola Street, Methuen, Massachusetts to satisfy Mountain's levied execution.

10. An order enjoining the transfer of 6 Shelly Drive, Pelham, New Hampshire is necessary and warranted to preserve Mountain's judgment rights given the conduct of the judgment debtor at the 2003 closing transferring the subject property to his brother, the 2005 Dana P. McAdam affidavit, and the fact that Philip B. McAdam executed an affidavit during the 2003 closing averring he knew of no judicial liens or judgments.

11. The averment contained in the 2003 Philip B. McAdam affidavit claiming no knowledge of any judgment against him is contradicted by the fact that I observed Philip B. McAdam appear in a Massachusetts state court during 2001 on an unsuccessful motion to vacate the underlying judgment with his former lawyer and the fact that thereafter I received a notice of appeal seeking appellate review of the denial of the motion to vacate bearing a return mailing address of 6 Shelly Drive, Pelham, New Hampshire. No appeal was prosecuted.

SIGNED UNDER THE PENALTIES OF PERJURY THIS 18th DAY OF MARCH,
2005.



Richard W. Gannett

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 SETTLEMENT STATEMENT
 C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Lines marked "1000" were paid outside the closing. They are shown here for informational purposes and are not included in the totals. WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. PREVIOUS EDITION IS OBSOLETE.

1. NAME OF BORROWER: DANA P. MCADAM
 ADDRESS: 1 ARCOLA STREET
 METHUEN, MA 01884

2. NAME OF SELLER: PHILIP B MCADAM & PHILIP E MCADAM
 ADDRESS: 1 ARCOLA STREET
 METHUEN, MA 01884

3. NAME OF LENDER: WORLD SAVINGS
 ADDRESS: 4101 WISEMAN BLVD. BLDG. 102
 SAN ANTONIO, TEXAS 78251

4. PROPERTY LOCATION: 1 ARCOLA STREET
 METHUEN, Massachusetts 01844
 ESSEX NORTH COUNTY

5. SETTLEMENT AGENT: CUSHING & DOLAN, P.C.
 ADDRESS: 299 MAIN STREET
 WILMINGTON, MASSACHUSETTS 01897

6. PLACE OF SETTLEMENT: 299 MAIN STREET
 ADDRESS: WILMINGTON, Massachusetts 01897
 MIDDLESEX COUNTY

7. SETTLEMENT DATE: Friday
 January 31st 2003

8. SUMMARY OF BORROWER'S TRANSACTION

100 GROSS AMOUNT DUE FROM BORROWER	178,000.00
101 Contract sales price	
102 Personal property	
103 Settlement charges to borrower (line 1400)	
104 FEBRUARY 2003 TAXES	9,947.92
105 Adjustments for items paid by seller in advance	571.02
106 City/town taxes	
107 County taxes	
108 Assessments	
109	
110	
111	
112	
20 GROSS AMOUNT DUE FROM BORROWER	187,518.94
30 AMOUNTS PAID ON BEHALF OF BORROWER	
31 Deposits or earnest money	
32 Principal amount of new loan(s)	1,000.00
33 Existing loan(s) taken subject to	100,000.00
40 GIFT OF EQUITY	
41 Adjustments for items unpaid by seller	
42 City/town taxes 01/01/03 to 01/31/03	
43 County taxes	
44 Assessments	
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9. SUMMARY OF SELLER'S TRANSACTION

100 GROSS AMOUNT DUE TO SELLER	178,000.00
101 Contract sales price	
102 Personal property	
103 Settlement charges to seller (line 1400)	
104 FEBRUARY 2003 TAXES	9,947.92
105 Adjustments for items paid by seller in advance	571.02
106 City/town taxes	
107 County taxes	
108 Assessments	
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112	
20 GROSS AMOUNT DUE SELLER	178,000.00
30 REDUCTIONS IN AMOUNT DUE TO SELLER	
31 Escrow deposit (see instructions)	
32 Settlement charges to seller (line 1400)	
33 Existing loan(s) taken subject to	
34 Payoff of first mortgage loan	
35 CHASE MANHATTEN	
36 Payoff of second mortgage loan	
40 GIFT OF EQUITY	
41 Adjustments for items unpaid by seller	
42 City/town taxes 01/01/03 to 01/31/03	
43 County taxes	
44 Assessments	
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10. AL PAID BY/ FOR BORROWER

11. AT SETTLEMENT FROM/ TO BORROWER

12. Amount due from borrower (line 120)

13. Amount paid by/ for borrower (line 210)

14. FROM () TO BORROWER

15. TOTAL DOCUMENT SYSTEMS INC. (603) 437-1541

16. OM BSM TEM

17. 178,172.82

18. 187,518.94

19. 176,172.82

20. 5,346.12

21. 178,000.00

22. 158,278.25

23. 178,000.00

24. 19,221.75

L. SETTLEMENT CHARGES		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700 TOTAL SALES/BROKER'S COMMISSION based on price \$	178,000.00 @ 0.00000	0.00	
701 \$	10		
702 \$	10		
703 Commission paid at Settlement			
704			
800 ITEMS PAYABLE IN CONNECTION WITH LOAN			
801 Loan Origination Fee	%		
802 Loan Discount	%		
803 Appraisal Fee	to WORLD SAVINGS	325.00	
804 Credit Report	\$3.85 POC WORLD		
805 Lender's Inspection Fee			
806 Mortgage Insurance Fee			
807 Application Fee			
808 MTG BROKER FEE TO DFA		2,000.00	
809 FLOOD CERT FEE TO TRANSAMER \$4 POC BORR		9.00	
810 FUNDING FEE TO WORLD SAVINGS		50.00	
811 TAX SERVICE FEE TO TRANSAMER		60.00	
812 EQUITY BUILDER FEE TO WORLD SAVINGS		150.00	
813 PROCESSING FEE TO DFA		350.00	
814 PROCESSING FEE TO WORLD \$106 POC BORR			
815 MTG BKR FEE TO DFA \$2000 POC WORLD			
816			
817			
900 ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901 Interest from 01/11/03 to 02/17/03 @ 15.9300 /day		255.51	
902 Mortgage Insurance Premium for months to			
903 Hazard Insurance Premium for 1 years to SULLIVAN INS \$318 POC BD			
904			
905			
1000 RESERVES DEPOSITED WITH LENDER			
1001 Hazard Insurance 5 month @ \$ 12.15 per month			
1002 Mortgage Insurance month @ \$ per month			
1003 City property taxes 2 month @ \$ 72.81 per month			
1004 County property taxes month @ \$ per month			
1005 Annual assessments month @ \$ per month			
1006 month @ \$ per month			
1007 month @ \$ per month			
1008 AGGREGATE ADJUSTMENT		16.35	
1009			
1100 TITLE CHARGES			
1101 Settlement or closing fee to			
1102 Abstract or title search to FIRST NATIONAL TITLE		150.00	
1103 Title examination to			
1104 Title insurance binder to			
1105 Document preparation to			
1106 Notary fees to			
1107 Attorney's fees to CUSHING & DOLAN, P.C.		500.00	
(includes above item numbers)			
1108 Title insurance to OLD REPUBLIC TITLE INS		723.00	
(includes above item numbers, \$506.10 TO C&D)			
1109 Lender's coverage \$ 250.00 (100,000.00)			
1110 Owner's coverage \$ 473.00 (178,000.00)			
1111			
1112			
1113			
1200 GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201 Recording fees Deed \$ 45.00 Mortgage \$ 65.00 Release \$ 50.00		110.00	50.00
1202 City/county tax stamps Deed \$ Mortgage \$			
1203 State tax stamps Deed \$ 811.68 Mortgage \$			811.68
1204 OBTAIN/RECORD MLC		40.02	
1205 CERTIFIED COPY OF MORTGAGE		12.37	
1300 ADDITIONAL SETTLEMENT CHARGES			
1301 Survey to SULLIVAN SURVEY			
1302 Post inspection to			
1303			
1304 FED EX TO CUSHING & DOLAN		35.00	15.00
1305 DISCHARGE TRACKING FEE TO C&D			75.00
1306 DEED PREPARATION FEE TO C&D			100.00
1307			
1308			
1309			
1310			
1400 TOTAL SETTLEMENT CHARGES (enter on lines 103, Section J and 502, Section K)		147.92	1,051.68
Borrower			
Seller			
Borrower			
Seller			

RECEIVED
FEB 10 2005
CASH & CREDIT

QUITCLAIM DEED

We, **PHILIP E. MCADAM and PHILIP B. MCADAM**, of Methuen, Essex County, Massachusetts for consideration paid and in full consideration of ONE HUNDRED SEVENTY-EIGHT THOUSAND AND 00/100 (\$178,000.00) DOLLARS

grant to **DANA P. MCADAM**, Individually, of 1 Arcola Street, Methuen, Massachusetts

with **QUITCLAIM COVENANTS**,

That certain parcel of land situate in Methuen in the County of Essex and said Commonwealth, bounded and described as follows:

Northerly by Tobey Avenue one hundred fifty-five and 39/100 (155.39) feet;
Easterly by Arcola Street eighty-one and 67/100 (81.67) feet;
Southerly by lots numbered four hundred thirty-six (436), four hundred thirty-two (432), four hundred thirty-one (431) and four hundred thirty (430) on plan hereinafter mentioned one hundred fifty-five (155) feet, and
Westerly by lot numbered four hundred forty-three (443) on said plan ninety-two and 67/100 (92.67) feet.

All of said boundaries are determined by the Court to be located as shown on Plan No. 654B, drawn by F. T. Westcott, Engineer, dated July 3, 1917, as modified and approved by the Court, filed in the Land Registration Office, a copy of a portion of which is filed with Certificate of Title No. 640, Book 2, Page 453, and being designated as lots numbered four hundred thirty-seven (437) to four hundred forty-two (442) inclusive thereon.

The above described land is subject to any rights of way lawfully existing in favor of land claimed by Fred C. Tobey, Trustee, shown as Lot B on a plan filed in the Land Registration Office at Boston, numbered 6549A, and also in favor of land to the west of said Lot B, so far, if at all, as such rights may affect the above described land.

For grantor's title, see deed recorded with the Essex North Registry of Deeds in the Registered Land Section as Certificate No. 10382, Book 74, Page 333.

SEE END PAGE FOR SIGNATURES

Dana P. Mcadam
1 Arcola St
Methuen, MA

Property: 1 Arcola Street, Methuen

Witness our hands and seal this 31st day of January, 2003.


Philip E. McAdam

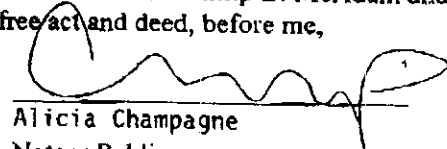

Philip B. McAdam

COMMONWEALTH OF MASSACHUSETTS

Essex, ss

Date: January 31, 2003

Then personally appeared the above-named Philip E. McAdam and Philip B. McAdam and acknowledged the foregoing instrument to be their free act and deed, before me,


Alicia Champagne

Notary Public

My comm. exp: 2/11/05

COMMONWEALTH OF MASSACHUSETTS

Essex, ss.

Superior Court
Civil Action No.

DANA P. McADAM,
Plaintiff

v.

CUSHING & DOLAN, P.C. and
OLD REPUBLIC NATIONAL TITLE
INSURANCE COMPANY and
MOUNTAIN PEAKS FINANCIAL
SERVICES, INC.,
Defendants

AFFIDAVIT OF DANA P. McADAM

I, Dana P. McAdam, do hereby make this affidavit of my own personal knowledge as follows:

1. I am the Plaintiff in this case, and I reside in my principal residence at 1 Arcola Street, Methuen, MA 01844 ("the Property").
2. I acquired the Property at a closing on January 31, 2003, pursuant to a transaction involving my father and brother. Prior to the closing, I had no knowledge or information about the existence of a lien in favor of the Defendant, Mountain Peaks Financial Services, Inc.
3. At the time of the closing, there was a discussion involving the attorney for the Defendant, Cushing & Dolan, P.C., where the attorney advised us of the existence of the lien on the Property. Based upon these conversations, I was of the understanding that I was purchasing the Property free and clear of this lien.

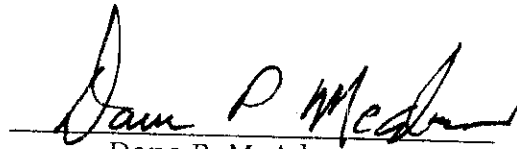
4. Subsequent to my acquisition of the Property, I received notice, as referred to in the Verified Complaint filed herewith, that a Sheriff's sale was to be conducted at my Property. At no point in time have I ever been obligated to the Defendant, Mountain Peaks Finance Services, Inc.


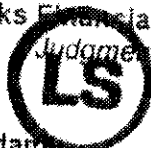
5. Subsequent to receipt of such notice, on my behalf, my counsel notified the title insurance company of the nature of the issues involved, and, with knowledge of the title insurance coverage, made a request upon counsel for the Defendant, Mountain Peaks Financial Services, Inc., for forbearance in order for insurance issues to be sorted out, rather than to conduct a sale of my primary residence. A copy of such request referred to herein, is attached hereto and marked as Exhibit "1".

6. In response, counsel for the Defendant, Mountain Peaks Financial Services, Inc., has refused the request, notwithstanding the existence of insurance coverage, and has insisted he intends to proceed forward. A copy of such response referred to herein, is attached hereto and marked as Exhibit "2".

7. I submit this affidavit of my own personal knowledge, and in support of my request for injunctive relief. I state that there is a likelihood or irreparable harm to me if my home is caused to be sold by Sheriff's sale on behalf of the claims by the Defendant, Mountain Peaks Financial Services, Inc.

Signed under the pains and penalties of perjury this 28th day of February, 2005.


Dana P. McAdam

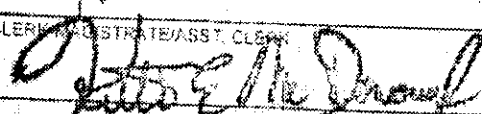
EXECUTION ON MONEY JUDGMENT		DOCKET NO 9418 CV 1254	Trial Court of Massachusetts District Court Department
CASE NAME Mountain Peaks Financial Services, Inc. Judgment Creditor vs. Philip B. McAdam Judgment Debtor		COURT Lawrence District Court 2 Appleton Street Lawrence, MA 01840-1525 (978) 687-7184	
		ESSEX COUNTY SHERIFF'S DEPARTMENT Division of Civil Process 381 Common Street Lawrence, MA 01842	

TO THE SHERIFFS OF THE SEVERAL COUNTIES OR THEIR DEPUTIES, OR (SUBJECT TO G.L. c. 41, § 92) ANY CONSTABLE OF ANY CITY OR TOWN, WITHIN THE COMMONWEALTH:

The Judgment Creditor named above has recovered judgment against the Judgment Debtor named above in the amount shown below.

WE COMMAND YOU, therefore, from out of the value of any real or personal property of such Judgment Debtor found within your territorial jurisdiction, to cause payment to be made to the Judgment Creditor in the amount of the "Execution Total" shown below, plus additional postjudgment interest as provided by G.L. c. 235, § 8 on the "Judgment Total" shown below commencing from the "Date Execution Issued" shown below at the "Annual Postjudgment Interest Rate" shown below, and to collect your own fees, as provided by law.

This Writ of Execution is valid for twenty years from the "Date Judgment Entered" shown below. It must be returned to the clerk-magistrate's office of this court, along with your return of service, within ten days after this judgment has been satisfied or discharged, or after twenty years if this judgment remains unsatisfied or undischarged.

1. Judgment Total	\$	261,219.56
2. Date Judgment Entered		2/16/01
3. Date Execution Issued		2/27/01
4. Number of Days from Judgment to Execution (Line 3 - Line 2)		11 Days
5. Annual Postjudgment Interest Rate (G.L. c. 235, § 8 & c. 231, §§ 69-60)		12.00%
6. Daily Postjudgment Interest Rate (Line 4 ÷ 365)		0.0329%
7. Postjudgment Interest from Judgment to Execution (Lines 1x4x6)		\$944.68
8. Postjudgment Costs (if any)	\$	0.00
9. Credits (if any)	\$	0.00
10. EXECUTION TOTAL (Lines 1+7+8 minus Line 9)	\$	262,164.24
LEVYING OFFICER: (a) Add daily interest from date execution issued:	\$	
(b) Add your fees as provided by law:	\$	
TESTE OF FIRST JUSTICE	DATE EXECUTION ISSUED	CLERK/MAGISTRATE/ASST. CLERK
WITNESS: Hon. Michael T. Stella, Jr.	February 27, 2001	

TRUE ATTEST COPY

DEPUTY SHERIFF

74628^N
DOCUMENT NO 74628

MAR02'01 PM 3:15

March 2 2001
Canex North Virginia Sales Co.
Received for Registration
3 O'CLOCK 15 PM
TEND ON CERTIFICATE NO 10328
74 333



Frank G. Cousins, Jr.
Sheriff

Thomas Goff
Superintendent

Carl Duemling
Director

Essex County Sheriff's Department
Division of Civil Process

381 Common Street
3rd Floor
Lawrence, MA 01840



Telephone:
(978) 683-7810
Fax: (978) 683-8205
www.eccf.com

Date: March 2, 2001 Time: 2:00pm
Plaintiff: Mountain Peaks Financial Services, Inc.
Plaintiff's Attorney: Richard W. Gannett
Attorney's telephone number: 617-367-0606

Defendant: PHILIP B. McADAM

Certificate of Title #: 10382

Court of Issue: Lawrence District Execution #9418 CV 1254

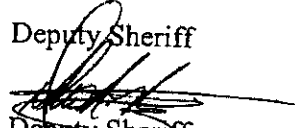
See Attached

By virtue of the attached execution, the original of which is in my hands for the purpose of taking the above described real estate, I have this day levied upon, seized and taken all right, title and interest that the within named Judgment Debtor had in such real estate in Essex County.

Attached is a true copy of this execution on the above so much of my return as relates to the levying upon, seizure, and taking of this real estate on the execution.

And immediately afterward, I suspended the further levy on this execution upon the above described real estate by written request of the attorney for the within named judgment creditor.

Deputy Sheriff


Deputy Sheriff

Form 5

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Transfer Certificate of Title

No. 10382

From Transfer... Certificate No. 5935... Originally Registered August 30, 1966, in
Registration Book 40... Page 141... for the Northern Registry District of Essex County.

This is to Certify that Philip E. McAdam, and Philip B. McAdam,
both

of Methuen... in the County of Essex... and Commonwealth of Massachusetts
married to

are
the owner in fee simple as tenants in common

of that certain parcel of land situate in Methuen
in the County of Essex and said Commonwealth, bounded and described as follows:

Northerly by Tobey Avenue one hundred fifty five and 39/100 (155.39)
feet,
Easterly by Arcola Street eighty one and 67/100 (81.67) feet,
Southerly by lots four hundred thirty six (436), four hundred thirty
two (432), four hundred thirty one (431) and four hundred
thirty (430) on plan hereinafter mentioned one hundred fifty
five (155) feet, and
Westerly by lot four hundred forty three (443) on said plan
ninety two and 67/100 (92.67) feet.

All of said boundaries are determined by the Court to be located
as shown on Plan No. 6549B drawn by F. J. Westcott, Engineer, dated
July 3, 1917, as modified and approved by the Court, filed in the Land
Registration Office, a copy of a portion of which is filed with Cer-
tificate of Title No. 649, Book 2, Page 453, and being designated as
lots four hundred thirty seven (437) to four hundred forty two (442)
inclusive thereon.

The above described land is subject to any rights of way
lawfully existing in favor of land claimed by Fred C. Tobey
Trustee, shown as Lot B on a plan filed in the Land Registration
Office at Boston, numbered 6549A, and also in favor of land
to the west of said Lot B, so far, if at all, as such rights may
affect the above described land.

Property Address: 46 Tobey Avenue, Methuen, Mass.
1 Arcola St. Methuen, Mass.
Recorded in Book 5357 Page 140 and Book 5914 Page 140

Owner Address: 416 Tobey Avenue, Methuen, Mass.

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And it is further certified that said land is under the operation and provisions of Chapter 185
General Laws, and any amendments thereto, and that the title of said Philip E. Mc Adam
Philip B. Mc Adam

to said land is registered under said Chapter, subject, however, to any of the encumbrances mentioned in
forty-six of said Chapter, and any amendments, thereto, which may be subsisting, and subject also to
aforesaid, and to the encumbrances appearing on the other side
this certificate

Witness, MARILYN M. SULLIVAN, Chief Justice of the Land Court, at Lawrence, in said County
Essex, the twenty second day of October in the year nineteen hundred
and eighty seven at 9 o'clock and 29 minutes in the fore noon.
Attest, with the Seal of said Court.

Thomas J. Burke

Assistant Recorder

LENDER: WORLD SAVINGS
 BORROWER(S): DANA P McADAM
 SELLER(S): PHILIP B MCADAM & PHILIP E MCADAM
 PROPERTY: 1 ARCOLA STREET
 METHUEN, Massachusetts 01844
 ESSEX NORTH COUNTY

I/We/It, the undersigned Owner(s), being duly sworn, upon oath depose and say:

A. MECHANICS AND MATERIALMEN'S LIENS:

1. That I/we am (are) the present owners and am (are) in possession of the subject Premises which are free of any tenancy, lease or life estate, condominiums with tenants, Except:

2. That said Premises were fully completed, or any work which was done on said Premises were fully completed, more than 93 days prior to the date hereof, and that all bills for labor and materials incurred in construction thereof have been fully paid and satisfied, except for the following:

3. That there are no outstanding claims, bills or liens of any kind or character against said Premises for labor performed thereon or materials furnished thereto.

4. The undersigned does hereby agree to indemnify and hold harmless the buyer, the lender and its title insurance company against any loss or damage which it/they may sustain by reason of the placing or filing of liens against said real estate and buildings thereon by sub-contractor, or materialmen, whether his own or those of sub-contractors, whether such laborers, services or materials were furnished by the owner, or sub-contractor, or materialmen, or employees of sub-contractor, including reasonable costs and attorney's fees.

B. CONDOMINIUMS:

1. That all condominium fees have been paid through the date of closing.

2. That there are no special assessments assessed against Premises except as follows:

3. That the Condominium Association has no option or right of first refusal or such right(s) have been waived as evidenced by documents provided.

C. OTHER:

1. There are no outstanding claims, bills, liens, attachments, pending suits or attachment petitions of any kind or character except the first mortgage being discharged except:

2. That this Affidavit is made for the purpose of inducing the purchase of the above property by the Buyer(s), the lending of funds secured by a mortgage upon said premises by the Lender and the issuance of a policy of title insurance to said Lender and/or Purchaser.

OWNERS AFFIDAVIT (Cont'd.)

Dated at WILMINGTON, Massachusetts, this 31st day of January, 2003

WITNESS

OWNER

DANA P. McADAM

OWNER

OWNER

OWNER

STATE OF MASSACHUSETTS

COUNTY OF MIDDLESEX

Personally appeared the above-named owners and acknowledged that the above Affidavit, by Him/Her Them subscribed, it is true. Before me,

DATED:

Alicia Champagne
Notary Public

My commission expires February 11th, 2005.